

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the  
Commonwealth and HTA.**

**REPLY OF THE COMMONWEALTH OF PUERTO RICO  
AND THE PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY TO  
RESPONSE FILED BY CLAIMANTS FERROVIAL AGROMAN, LLC AND  
FERROVIAL AGROMAN, S.A. [ECF NO. 21159] TO THE FOUR HUNDRED FIFTY-  
EIGHTH OMNIBUS OBJECTION (SUBSTANTIVE) TO MISCLASSIFIED CLAIMS**

**To the Honorable United States District Court Judge Laura Taylor Swain:**

The Commonwealth of Puerto Rico (the “Commonwealth”) and the Puerto Rico Highways and Transportation Authority (“HTA,” and together with the Commonwealth, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight”

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”, and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Board”), as the representative of the Debtors pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> file this reply (the “Reply”) to *Ferrovial Agroman, LLC and Ferrovial Agroman[,]* S.A.’s *Response to the Four Hundred Fifty-Eight[h] Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico and the Puerto Rico Highways and Transportation Authority to Misclassified Claims* [ECF No. 21159] (the “Response”) filed by Ferrovial Agroman, LLC (“FALLC”) and Ferrovial Agroman, S.A. (“FASA,” and together with FALLC, “Ferrovial Agroman”), and in support of the *Four Hundred Fifty-Eighth Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico and the Puerto Rico Highways and Transportation Authority to Misclassified Claims* [ECF No. 20789] (the “Four Hundred Fifty-Eighth Omnibus Objection”). In support of the Reply, the Debtors respectfully state as follows:

1. On May 13, 2022, the Debtors filed the *Four Hundred Fifty-Eighth Omnibus Objection* seeking to reclassify, in accordance with Federal Rule of Bankruptcy Procedure 3007(d)(8) and the Amended Omnibus Objection Procedures,<sup>3</sup> each of the claims as listed on Exhibit A thereto. In particular, the *Four Hundred Fifty-Eighth Omnibus Objection* sought to reclassify certain proofs of claim that asserted they are secured “under budget of federal funds,” but provided no basis why, even if the funds the Commonwealth and/or HTA budgeted for payment of claimants’ claims are derived from federal transfers, a security interest exists in favor of claimants.

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<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101–2241.

<sup>3</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the *Four Hundred Fifty-Eighth Omnibus Objection*.

2. Any party who disputed the Four Hundred Fifty-Eighth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on June 13, 2022, in accordance with the Court-approved notices attached to the Four Hundred Fifty-Eighth Omnibus Objection as Exhibit C, which were served in English and Spanish on the individual creditors subject to the Four Hundred Fifty-Eighth Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Sixteenth Amended Case Management Procedures* [ECF No. 20190-1]).

3. FALLC filed a proof of claim against HTA on May 22, 2018, and it was logged by Kroll as Proof of Claim No. 24320 (the “FALLC Claim”). The FALLC Claim purports to assert \$15,092,433.07 in liabilities associated with “construction of roads and highway infrastructure.” Of the total liabilities asserted, the FALLC Claim contends \$839,442.86 are “secure[d] under budget of Federal Funds,” and the remaining \$14,252,990.21 are unsecured. FASA also filed a proof of claim against HTA on May 22, 2018, and it was logged by Kroll as Proof of Claim No. 17738 (the “FASA Claim,” and together with the FALLC Claim, the “Ferrovia Agroman Claims”). The FASA Claim also purports to assert \$24,681,094.64 in liabilities associated with “construction of roads and highway infrastructure,” of which the FASA Claim contends \$1,812,052.07 are “secure[d] under budget of Federal Funds,” and the remaining \$22,869,042.57 are unsecured. As explained in the Four Hundred Fifty-Eighth Omnibus Objection, however, neither the FALLC Claim nor the FASA Claim provides any basis for the assertion that funds derived from federal transfers are subject to a security interest in favor of Ferrovia Agroman.

4. The Response, which was filed on June 9, 2022, states that the Four Hundred Fifty-Eighth Omnibus Objection “does not contest the total amount claimed by FALLC and FASA and is limited to reclassify the secured portion of [the FALLC Claim and the FASA Claim] as a general unsecured claim.” Response at ¶ 6. Further, the Response states that FALLC and FASA “consent

to the entry of judgment accordingly but notwithstanding reserve [their] right to amend their respective claims: *(i)* depending on the outcome [of] the different HTA construction projects that are at different stages of completion; and *(ii)* depending on the outcome of several extended overhead claims that they have against HTA.” Response at ¶ 7 (emphasis original).

5. Accordingly, because Ferrovia Agroman does not dispute that the FALLC Claim and the FASA Claim should be reclassified, the Debtors respectfully request the Court reclassify both claims. Further, because the Four Hundred Fifty-Eighth Omnibus Objection does not constitute an objection to the validity or amount of the Ferrovia Agroman Claims, the Debtors reserve their rights to object to the Ferrovia Agroman Claims “on any other grounds whatsoever.” Four Hundred Fifty-Eighth Omnibus Objection, at 8. In addition, the Debtors note that, pursuant to paragraph 42 of the *Order and Judgment Confirming Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority* [ECF No. 19813] (the “Confirmation Order”), “[a]s of the commencement of the Confirmation Hearing, a proof of Claim may not be amended without the approval of the Title III Court.” Confirmation Order at 44.

6. For the foregoing reasons, the Debtors respectfully request the Court sustain the Four Hundred Fifty-Eighth Omnibus Objection and reclassify the Ferrovia Agroman Claims.

Dated: June 19, 2022  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer  
Hermann D. Bauer  
USDC No. 215205  
Carla García-Benítez  
USDC No. 203708  
Gabriel A. Miranda  
USDC No. 306704

**O'NEILL & BORGES LLC**

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181

Fax: (787) 753-8944

/s/ Brian S. Rosen

Martin J. Bienenstock (*pro hac vice*)

Brian S. Rosen (*pro hac vice*)

**PROSKAUER ROSE LLP**

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

*Attorneys for the Financial  
Oversight and Management Board  
for Puerto Rico, as representative for  
the Commonwealth of Puerto Rico  
and the Puerto Rico Highways and  
Transportation Authority*